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Upswing in Rural America

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UPSWING IN RURAL AMERICA

Highlights of Change

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Rural America is complex and rapidly changing.

For decades it has been moving sideways as the national economy has moved up. In some areas, the rural economy has declined.

Fewer Farm than Nonfarm People in Rural America

Rural population totaled only 200,000 more in 1960 (54 million) than it did in 1930 (53.8 million). But the composition of the rural population was greatly changed. In 1930, farm people accounted for 57 percent of the rural population; in 1960, they represented only 29 percent.

More Rural People Work in Manufacturing than in Farming

Rural America is more than farming, but agriculture is one of its economic pillars. Only one worker in five in the rural labor force is engaged in farming, yet many of the jobs in rural areas are related to agriculture in some way. More rural people have jobs in manufacturing, including the processing of food and fiber, than in farming. One worker in seven in the rural labor force is engaged in wholesale or retail trade, much of it with farm people.

In the last census, one farm male in every three reported his major occupation was something other than farming. But there are not enough jobs outside of farming for all those who want work in rural America. The amount of underemployment in rural areas is the equivalent of some 4 million unemployed.

For more details on the changing rural America, see "The Size and Shape of Rural America," Page 29.

Job Opportunities Lag

The farm worker today produces enough to meet the needs of 27 people; but as the farmer's efficiency increased and the need for farm workers declined, the opportunity in rural America for jobs off the farm did not keep pace.

The effect of this can be seen in many ways.

Farm population declined by nearly a third between 1950 and 1960.

Total rural population (combined farm and nonfarm) declined nearly 1 percent. Of 2,415 counties entirely or predominantly rural in 1950, three-fifths of them (1,430) had lost population by 1960; a fourth (632) had gained less than 15 percent; and only 353 counties had increased by 15 percent or more.

Rural towns under 2,500 had a slight population loss in the 1950's. Those between 2,500 and 5,000 increased their population 12 percent compared with the urban increase of 29.3 percent and the national increase of 18.5 percent.

Young People -- the Greatest Loss

Young people, those who make the future, are leaving rural America to seek better opportunities in the city. During the 1950's, at least 70 percent of the net migration from farms consisted of youth under 20 or who reached 20 during the decade. This migration of young people from the farm -- and from small towns -- has been so heavy that the number of births in the farm population is declining. A few rural counties are recording more deaths than births. Farm people aged 60 to 69 outnumber those who are 20 to 29. In urban areas, people aged 20 to 29 exceed those 60 to 69 by 64 percent.

Future migration from rural areas will come primarily from the relatively large base of children and young people, unless job opportunities can be created for them in or near their home communities. For every 100 older rural men who are expected to vacate existing jobs during the 1960's, 177 rural boys will be reaching age 20. Around two-fifths of all rural people were under 20 in 1960.

The large-scale movement out of agriculture of entire families with able-bodied heads appears to be largely finished. Most of the remaining low-income farmers are middle-aged or older, and many of them are ill-prepared to seek urban jobs and have little desire to move. Seventy percent of the farm operators who sold less than \$10,000 worth of products in 1960 were 45 years old and over.

As older operators of small- to medium-sized farms retire, their holdings are often taken over by other farm operators or go out of farming altogether. Along with greater farm efficiency, this accounts for the increase in average farm size (from 177 acres in 1942 to 316 acres in 1962), for the declining number of farms, and for the decreasing opportunities for young people in farming.

Living Conditions Are Lower

The decline in rural population and rural underemployment are reflected in living conditions. Only 65 percent of rural farm homes and 88 percent of rural nonfarm homes had hot and cold water in 1960, compared with 99 percent in urban areas. Sixty-five percent of the farms had telephones, 56 percent had home freezers, and 80 percent had automobiles. In isolated rural areas, there were only 47 physicians per 100,000 people, compared with 132 physicians per 100,000 people in metropolitan areas. The percentage of rural people with health insurance coverage was much smaller than that of urban people who have this protection. Rural people had fewer years of formal schooling; 11 percent of rural people 25 years old and over had completed less than 5 years of schooling, compared with 7 percent of urban people in this age group.

Rural America cannot grow if it continues to lose population. Nor can it expect to keep more of its young people unless it creates more job opportunities which in turn will bring the improved living conditions they seek, and help to build the public facilities they need -- schools, hospitals, water supply, and sewage facilities.

Farming Still the Backbone of Rural America

High farm income is essential to a stronger rural economy, for farming remains the backbone of rural America.

When the farmer prospers, Main Street of rural America prospers, for that is where the farmer buys the bulk of his food and feed, his machinery and implements, his seed and agricultural chemicals. At least 80 percent of the farm families who buy these items buy most of them in towns of less than 10,000. And farm families already are a \$41 billion-a-year customer of business and industry.

The trade and industrial potential of bringing rural living conditions nearer those of urban areas is tremendous; for example, to put hot and cold water in the 35 percent of farm homes and the 12 percent of rural nonfarm homes without this convenience of modern living would be an enormous economic boost for trade centers.

Measuring Rural Change on Main Street

Changes in rural America are measurable on the Main Streets of its towns and small cities.

Greene County, Iowa, is an example. Between 1950 and 1960, this typical Cornbelt county saw its population drop from 15,500 to 14,300 -- a net loss of 1,200 people or 7 1/2 percent. With the heaviest migration among youths and young adults, the number of persons in the middle-age groups -- the ages of employment and productive work -- declined in proportion to the numbers of persons in the dependent groups, the very young and the aged.

The county seat, Jefferson, has had moderate population growth, but much of its gain has been composed of older persons.

Between 1948 and 1958, Greene County saw the number of its retail stores decline by 5 percent, compared with a decline of 5 percent in the entire State and 3 percent in the Nation.

During this same period, retail sales per Greene County store rose 39 percent -- more than the 30 percent increase for the State but less than the 51 percent increase for the Nation. In 1958, Greene County retail stores averaged \$86,100 in sales, while those of Iowa were \$100,500 and the Nation \$111,600.

The brightest spot in Greene County retail sales was brought on by agricultural technology. The stores that sell farm supplies, machinery, and equipment had much greater sales increases, between 1948 and 1958, than these types of stores in either Iowa or the Nation. For example, the

category of stores that includes fertilizer, fuel, and feed retailers increased sales by more than 88 percent. The increase in Iowa was 25 percent and in the Nation 57 percent. Sales of farm machinery, lumber and building materials were up 47 percent in Greene County between 1948 and 1958; up 8 percent in Iowa, and up 28 percent in the United States.

When Jefferson people were asked to identify the county's greatest problems, they mentioned these two most frequently: 1. Inadequate employment opportunities for all age groups in the community and 2. Inadequate salaries to keep young people in the community and to hold the adults now employed.

New Programs Emphasize Economic Opportunities for People

Too often, the problems of rural America have been blamed entirely on excess farm production. Too often, the solutions attempted have been largely oriented to commodities.

Today the work of the U. S. Department of Agriculture is oriented to the people of rural America -- farm and nonfarm -- to help them to develop new economic strength, to create more job opportunities, and to provide more of the products and services all Americans want, including outdoor recreation.

New programs of economic development are moving ahead. New supply management programs -- such as those for feed grains and wheat -- are operating. These new programs are meshed with the older programs of credit, conservation, research, marketing, crop insurance, service to cooperatives, and education. The Department's work is coordinated with programs of other Federal Departments and independent agencies and with those of State and local government.

The Goals

These people-oriented programs are aimed, through locally-initiated and locally-determined activities, at removing the causes of low income, underemployment, rural poverty, declining villages and towns, and excessive production of commodities.

This blending of new and existing programs of the Department of Agriculture and other agencies seeks to gain such high priority national goals as:

1. Helping rural America to give direction and purpose to its adjustment to rapid changes;
2. Readjusting rural land use patterns to make more land available for the increasing needs of outdoor recreation and open spaces, while reducing cropland acres;
3. Fully protecting and developing the Nation's soil, water, forests, grass, fish, wildlife, and open spaces;

4. Strengthening the family farm pattern, while insuring an efficient and productive source of food and fiber in a way that increased efficiency does not mean less income to the producer;
5. Encouraging more rapid industrialization and expansion of commercial enterprise in rural areas and thus providing new employment and other nonfarm economic opportunities;
6. Providing adequate public facilities and services in rural areas.

RURAL ECONOMY
ON THE WAY UP AGAIN

The economic upswing in rural America is evident, from farm to Main Street. Gross farm income rose 7.1 percent, or \$2.7 billion, from 1960 to 1962:

1960 -- \$37.9 billion.
1961 -- \$39.9 billion.
1962 -- \$40.6 billion (preliminary estimate).

Realized net income from farming was up 10.3 percent, or \$1.2 billion, from 1960 to 1962:

1960 -- \$11.7 billion.
1961 -- \$12.8 billion.
1962 -- \$12.9 billion (preliminary).

Per capita personal income of the farm population rose nearly 14 percent from 1960 to 1962 to an all-time high, reflecting the greater income from farming, an increase in nonfarm income (off-farm work and other sources), and a still declining farm population:

Per Capita Personal Income, Farm Population

	<u>1960</u>	<u>1962</u>	<u>Up</u>
From all sources	\$1,255	\$1,430	13.9%
From farm sources	791	926	17.0%
From nonfarm sources	464	504	8.6%

As income rose, farmers' buying was stepped up. For one thing, spending for production items was higher -- but the rate of increase was less than that of gross income from farming. The rise in production costs from 1960 to 1962 was 5.7 percent, or \$1.5 billion:

1960 -- \$26.2 billion.
1961 -- \$27.1 billion.
1962 -- \$27.7 billion (preliminary).

At least 67 percent of the added buying in 1962, over that in 1960, was done on Main Street of towns under 5,000 population.

Next to benefit were towns and small cities of population ranging from 5,000 to 29,999, where about 25 percent of the extra buying power was felt.

The remaining 8 percent of estimated additional farm buying in 1962 was done in cities with populations of more than 30,000.

This table shows estimates of how and where farmers spent their additional income in 1962, for food, clothing and household furnishings, as well as for production items:

Expense Item	Total Increase 1960-1962	Estimated expenditures in towns with population of:		
		Under 5,000	5,000 -- 29,999	30,000 and over
		Million Dollars		
Feed	438	337	88	13
Tractors	131	86	34	11
Automobiles	185	98	57	30
Fertilizer, lime and pesticides	63	47	13	3
New construction	133	96	31	6
Repair and operation of buildings	152	109	35	8
Food	330	234	75	21
Clothing	160	67	56	37
Household furnishings	95	55	29	11
Sub total	1,687	1,129	418	140
Other and Savings	892	---	---	---
Total		2,579		

Further evidence of the impact of increased cash income on Main Street is the comparison of farm income with retail sales in trading centers.

Cash farm income on representative dairy farms in Sullivan County, New York, increased 2 percent in 1961 over 1960; retail sales in the county during the same period increased 1 percent. (1961 is the most recent year for which retail sales by counties are available.)

On a typical dairy-hog farm in Dodge County, Minnesota, cash income was up 6 percent; county retail sales up 3 percent.

In Desha County, Arkansas, cash income on typical cotton farms rose 15 percent; retail sales were up 2 percent in the county.

Cash income on typical sheep and cattle ranches in Greenlee County, Arizona, was up 16 percent in 1961 over 1960; retail sales were 13 percent higher.

On representative cattle ranches in Johnson County, Wyoming, cash income rose 38 percent; retail sales rose 2 percent in that county.

Where FARMERS spent their increased income in 1962

\$418 MILLION



BIG TOWN

Population 5,000 to 29,999

\$140 MILLION



CITY Population over 30,000

\$892 MILLION OTHER*



\$1,129 MILLION



SMALL TOWN

Under 5,000 Population

* OTHER EXPENDITURES AND SAVINGS.....

Cash income on representative hog fattening-beef raising farms in Linn County, Missouri, was up 11 percent; retail sales in the county were up 2 percent.

On typical hog-dairy farms in Clayton County, Iowa, cash income rose 1 $\frac{1}{4}$ percent; county retail sales were about 2 percent higher.

Cash income on typical cash grain farms in Jasper County, Illinois, rose 8 percent; retail sales were up 4 percent in that county.

On representative tobacco farms in Jones County, North Carolina, cash income increased 5 percent; retail sales went up 3 percent.

In Early County, Georgia, on typical peanut-cotton farms, cash income went up 11 percent; retail sales in the area rose 3 percent.

And when cash farm income goes down, as it did in some counties in 1961, trade also goes down in the towns largely dependent on agriculture.

On typical wheat-small grain-livestock farms in Bottineau County, North Dakota, cash income dropped 49 percent due to drought conditions; retail sales in the county declined 4 percent from 1960 to 1961.

Cash income on typical wheat-corn-livestock farms in Dickey County, North Dakota, was down 5 percent; county retail sales were also down 5 percent.

In Lincoln County, Washington, on typical wheat-fallow farms, cash income was down 2 percent; retail sales in the county dropped about 5 percent.

In the winter wheat area, cash income on typical farms in Rawlins County, Kansas, dropped 3 percent; retail sales in the county were down 2 percent from 1960 to 1961.

More Income Means Investment

Local funds also are being built up to provide the means for increasing investment and faster economic growth in rural areas.

In 618 selected agricultural counties, deposits in insured commercial banks were 6 percent higher December 31, 1961, than a year earlier. Also, in trading centers under 15,000 population, deposits in insured commercial banks were up 6 percent, or \$2.2 billion, from December 31, 1960.

Where FARMERS spent \$41 Billion in 1962



BIG TOWN
Population 5,000 to 29,999



CITY Population over 30,000



SMALL TOWN
Under 5,000 Population

Farm families had an estimated total of \$44.6 cash income from farm and non-farm sources in 1962. Estimated expenditures totaled \$41 billion.

*This \$19.8 billion includes hired labor, livestock purchases, taxes, interest, medical care, and other items of expenditure, most of it probably in towns under 30,000 population.

Job Upswing in Manufacturing Centers

Increased farm buying power is soon translated as more factory jobs.

From 1960 to 1961, the value of tractor shipments for domestic use rose 23 percent. Domestic shipments of other farm equipment increased only slightly in 1961. But in the first nine months of 1962, value of shipments of both tractors and of other farm machinery was 8 percent above the same period in 1961.

And unemployment in important farm machinery industrial centers dropped between September 1960 and September 1962:

In Peoria, Illinois, the unemployment rate dropped from 5.6 percent in September 1960 to 3.4 percent in September 1962.

In Rockford, Illinois, the rate dropped from 4.6 percent in September 1960 to 3.7 percent two years later.

In the Davenport-Rock Island-Moline area, the unemployment rate dropped from 4.6 percent to 2.9 percent.

In Racine, Wisconsin, unemployment in September 1960 was 4.9 percent of the work force. In September 1962 it was down to 4.1 percent.

Surplus Downswing

Since 1960, feed grain production has dropped below domestic consumption and exports for the first time in 10 years. Reduction of stored surpluses means ultimate savings to taxpayers of more than \$1 billion through lower storage and handling charges.

Total carryover of all feed grains has been dropping progressively from a record 85 million tons in October 1961 to around an estimated 61 million tons by October 1963. Participation by producers in the 1963 feed grain program probably will bring the feed grains carryover within range of a desirable level adequate for national security by 1964.

The wheat stabilization program rolled back wheat production by more than 200 million bushels less than it would have been without the program, thereby reducing government storage and handling costs by at least \$100 million from what they would have been. The 1963 program offers wheat farmers a continued opportunity to make needed production adjustments.

In May, wheat farmers will vote on whether a permanent new program for wheat will go into effect in 1964.

Food Prices Stable

Food prices remained relatively stable. Cost of food served in the home rose less than 2 percent during 1961-62. All food prices rose 2.2 percent, the same as the entire Consumer Price Index. Americans now spend less of their take-home pay for food than ever before -- about 19 percent in 1962, compared with 23 percent in 1952.

Food marketing charges rose less than one-half of one percent, during 1962. Marketing charges (which cover the cost of assembling, shipping, packaging, storing, processing, and selling) are expected to average about the same in 1963, and may be leveling off after 12 years of increases.

ECONOMIC GROWTH IN RURAL AMERICA

Some Examples

New economic vitality is appearing in many rural communities and small towns across the nation as local people combine their own resources with those available from government.

A whole galaxy of new programs, as well as the strengthened or redirected older programs, is aiding them.

Some of these new programs are in the Department of Agriculture, such as those provided by the Congress in the Food and Agriculture Act of 1962, and the Consolidated Farmers Home Administration Act of 1961.

This Department also administers the rural phases of some new programs that serve urban as well as rural people; for example, the Senior Citizens Housing Act of 1962, or some activities under the Accelerated Public Works Act of 1962. A major part of the help available under the Area Redevelopment Act of 1961 (administered by the Department of Commerce) is going to rural areas, with technical and other assistance from the Department of Agriculture.

Members of farm families with a net annual income under \$1,200 are eligible, under the Manpower Development and Training Act (Department of Labor), for training in skills needed in the labor market.

Under programs provided by the Food and Agriculture Act of 1962, the Department of Agriculture is aiding local people with:

Long-range changes of land use from crops to grass, to trees, fish and wildlife habitat, or to outdoor recreational uses in test or pilot areas.

Development of public recreation and future municipal and industrial water supply in small watershed projects.

Credit for developing and operating income-producing outdoor recreation on family farms.

Credit to help rural groups to make long-range changes of land-use from crops to grass, to trees, fish and wildlife production, or to outdoor recreation.

When funds are available, the Department is prepared to help with:

Resource Conservation and Development Projects.

Rural Renewal Projects.

Rural America's new economic upsurge is sparked by local people as part of a nationwide Rural Areas Development (RAD) program. More than 50,000 rural and town leaders are now participating in various RAD activities. Nearly 2,000 rural counties and areas have organized RAD committees, and about 760 of them have completed their initial development plan, and 686 more are in the process. To help these local committees receive the coordinated services of USDA, and to help them obtain services from other Departments or agencies, the Department of Agriculture has formed a Technical Action Panel (TAP), in each county. Panel members, for the most part, are local employees of this Department.

Local projects that began as a small watershed project, or as a rural electric or other cooperative, are often sparking industrial development, improved public facilities, outdoor recreational enterprises, and other economic growth.

Kentucky

Mud River Watershed Project near Russellville is one of many examples of community benefits derived from watershed projects started by local people with help from USDA. Water supply, recreation and flood prevention are all helping local people to use their own resources and those of the State and county to create more favorable economic conditions.

A new plant manufacturing layer crates and prefabricated "hog parlors" has been set up at Lewisburg as a result of a new water supply.

A new boat shop has been opened to take advantage of the 900-acre recreation Lake Malone. It is estimated there will be 15,000 man-hours of fishing annually in the lake and several hundred thousand visitors will use the lake facilities. More than 200 lakeside building lots have been sold, 50 cabins have been built, as well as a \$45,000 sportsmen's lodge, and 30 miles of public roads have been built, including a new bridge costing \$154,000. Electric and telephone lines have been installed to serve the area.

The Mayor of Lewisburg estimated 170 new jobs will be brought to the community.

The Emerson Electric Company has just finished a \$4,000,000 plant at Russellville hiring 460 people. The Rockville Manufacturing Company will double its size in the next few years. It now employs 300 people.

Watershed structures are protecting the existing water supply by reducing sedimentation.

Small Watershed Program -- National Summary: Nearly 1,900 applications, covering 134 million acres, have been received from sponsoring local organizations in 48 States for help with small watershed protection and flood prevention. Of the proposed projects, 457 are operating and 384

others are being planned. New legislation permits Federal cost-sharing for public recreation, and also offers more help to local people in developing water supply for future municipal and industrial needs.

Many USDA resources are available through small watershed projects, including loans to municipalities or other local agencies and cost-sharing for conservation work.

Illinois

Litchfield joined Hillsboro and the Montgomery County Soil Conservation District in requesting help to combat the problems of floods and poor drainage during wet seasons and water shortages during dry seasons. Town and farm people initiated and sponsored the Shoal Creek Small Watershed Project.

The Department, in addition to technical and other aid to the project, lent \$1.8 million to Litchfield to help finance a proposed multiple-purpose reservoir for flood prevention and municipal water storage and for two related flood-water retarding reservoirs.

With a municipal supply of 23,000 acre-feet of water in the new reservoir, Litchfield will be prepared to serve the new industries that town leaders seek. The reservoir will have 25 miles of shoreline to provide new opportunities for fishing, boating, picnicking, camping and other recreation.

Texas

Seven farm tenant families near Anson early in 1962 faced the choice of finding other land to rent or of getting out of farming altogether. The owners of a 5,500-acre estate they were renting had decided to sell out. Their problem also was of concern to the town of Anson, where the families traded, and to Jones County which had lost about 20 percent of its population in 10 years.

A local banker and the Department of Agriculture arranged for loans to the tenants, under the Department's insured farm ownership program, to buy farms from the estate. The loans averaged \$39,000, and the families put an average of \$7,900 of their own money into the purchases.

In addition to the 7 former tenants on the estate, 4 other tenant families in the area also received insured loans to purchase estate land. Former owners of the estate will hold notes on the 11 farms, with a Department of Agriculture guarantee of principal and interest payment.

Thirty-seven families in a rural community near Sommerville have a dependable water supply as a result of a Department-insured loan made last year. Previously the families depended on cisterns that collected run-off rainwater from roofs. During droughts, they were forced to haul water from outside the community.

A local bank made an insured loan of \$24,000 to finance construction of a water main and tie-in lines connecting with the municipal water system of Sommerville.

Most of the families in the community are planning to construct full kitchens and bathrooms and are buying materials and equipment locally. At an average cost of \$1,000, home rehabilitation eventually will result in about \$40,000 of additional business for local merchants and contractors.

USDA Credit Programs, A National Summary: The Department is now able to serve the adjustment and credit needs of the full range of family farmers who are unable to obtain credit from commercial or other sources. The Department lent farmers and other rural people a record \$753 million in calendar year 1962 -- 50 percent more than in 1961 and 120 percent more than in 1960. About 214,000 families are using USDA credit this year, 17 percent more than the year before. From 1960 to 1962, operating loans increased from \$218 million to \$274 million, farm ownership loans increased from \$52 million to \$222 million, housing loans increased from \$43 million to \$177 million; soil, water, and watershed loans rose from \$6 million to \$18 million; emergency loans increased from \$23 million to \$62 million. Rural renewal loans have been authorized by the Congress, but funds have not been made available.

Substantial financial and farming progress is being made by farm ownership borrowers. A study was made in 1961 of 3,000 farm ownership borrowers throughout the nation who bought their farms in 1956. Between 1955 (the year before farms were bought) and 1961, the average borrower has:

Increased farm gross cash income from \$6,653 to \$13,162.
Increased net farm income from \$2,479 to \$4,246.
Increased farm expenditures 120 percent.
Increased family-living expenditures from \$1,365 to \$2,258.

Similar progress is made by farmers who obtain farm operating loans. In 1962, a total of 8,611 borrowers throughout the country repaid in full their farm operating loans and continued to farm. On the average, they had borrowed \$11,402, and took 5 years to repay.

During the period of the loan, the average borrower:

Increased farm gross cash income from \$5,783 to \$10,550.
Increased net farm income from \$2,220 to \$3,962.
Increased purchases for farm operations from \$3,563 to \$6,588.
Increased family purchases of consumer goods and items by 44 percent.

Georgia

Electric and telephone borrower cooperatives recently were asked to report the commercial and industrial projects developed in their service areas during the past 18 months. Returns from one-third of the borrowers disclosed that:

More than 53,000 jobs have been or will be created in rural areas by commercial and industrial projects these borrowers helped to launch.

Most of the financing for the projects is coming from private or local sources, not from the Federal government.

Federal loans and grants provide "seed money", at most.

Three Georgia examples of the assistance given by rural electric cooperatives to rural economic development:

Middle Georgia Electric Membership Corporation, Vienna, assisted in locating a new men's wear factory in its community to create jobs for 75 people.

Rayle Electric Membership Corporation, Washington, was active in helping to bring four new industries into the area it serves.

Blue Ridge Electric Association, Young Harris, led efforts to secure a new motel, a new courthouse, and a new airport.

National Summary, Rural Electrification and Telephone Loans: Almost \$4.8 billion in USDA loan funds have been invested by more than 1,800 private enterprises in their local electric and telephone facilities. The operation of these facilities serving 6.7 million individual consumers and subscribers has resulted in full-time jobs in private enterprise for more than 40,000 local people.

The rural market created by these cooperatives for electrical appliances and equipment amounts to about \$1 billion a year.

More than 225,000 rural people will get electric or dial telephone service as a result of 1962 USDA loans. During 1962, the five-millionth consumer was connected under the rural electrification program, and educational television in rural areas was made eligible for USDA financing.

Minnesota

Buyck, in northern St. Louis County, has a new \$89,000 wood products plant using timber from the Superior National Forest. Local people invested

\$37,000 and a loan from the Area Redevelopment Administration (Department of Commerce) made up the balance.

When the plant goes into full operation in April 1963, it will provide jobs for 30 men in plant and woods -- a new payroll of about \$100,000 a year. Operated by Echo Timber Products, Inc., the plant will furnish peeled posts and poles to a plant in Siren, Wisconsin, where the poles will be given a preservative treatment and marketed.

National Summary on National Forests -- Much more timber from the National Forests is being made available for harvest. Updating of inventories and management plans has permitted an increase in the allowable annual cut from 10.6 billion board feet in 1960 to 12.6 billion board feet in 1963. New forest roads and trails are being built in the more inaccessible areas of National Forests to provide access for fire control, insect and disease control, recreation, timber management, and other activities. Road and trail expenditures rose from \$43 million in 1960 to \$63 million in 1963. Recreation on National Forests also continues to increase. About 113 million recreational visits were made in 1962, compared with 92 million in 1960 and 102 million in 1961, and an expected total of 125 million visits in 1963.

One-fourth of the revenue received from timber harvest, grazing permits, and recreational activities in National Forests goes to the counties in which the lands are located. In fiscal 1962, payments to States for county use totaled \$25.7 million.

West Virginia

Since Webster County people began their rural areas development program, they have:

Started three new industries employing 310 people.

Opened two major new recreation areas catering to tourist camping and picnicking. These were developed in cooperation with State, local, and Federal agencies.

One of the new industries is a wood-working plant employing 80 people at Webster Springs, near the Monongahela National Forest. The planning committee of the local development group is seeking to expand wood-using industry, because a high percentage of the county is forest land.

Maine

Riddeford businessmen turned a problem -- lack of demand for No. 4 common grade white pine boards -- into jobs for 110 people.

Area businessmen proposed a finger-jointing and edge-gluing plant to fabricate clear boards with sections cut from No. 4 commons. They applied to the Area Redevelopment Administration (ARA) for a loan.

ARA asked technicians of USDA's Forest Products Laboratory in Madison, Wisconsin, and the Northeastern Forest Experiment Station at Upper Darby, Pennsylvania, to study the proposed project. When the study indicated the process would be successful, ARA approved a \$432,900 loan to start the new industry. Limited production began in October 1962. Sales of the new product increased until production was put on a three-shift basis, with 110 employees.

The fabricated boards are selling for \$200 per thousand board feet. The No. 4 commons, from which they were made, went begging for markets at \$65 per thousand board feet.

Forest Research. Nationally: Forest research funds have been increased from \$14.5 million in 1960 to \$24.8 million in 1963. More research is being conducted to find new uses for wood products, and on wildlife habitat and range management, forest recreation, and forest engineering. Research also is being expanded in forest genetics, forest insect and disease control, protection of forest soils and water, and water supplies for farms and cities.

Arkansas

The combination of local and Federal resources added 550 jobs in Marion and Baxter Counties.

Voters in the two Ozark rural counties approved a \$535,000 bond issue to start the Mar-Bax Shirt Company (named for the two counties) at Gassville.

But Gassville, with a population of 233, did not have enough water for the new industry. Neither did the community have the assessed valuation to support the \$160,000 bond issue necessary to finance a water system. The Area Redevelopment Administration made a public facility loan of \$31,000 and a direct grant of \$129,000 to Gassville to finance the needed water system. This was the first ARA loan and grant anywhere in the Nation.

By November 1961, nearly 490 people (most of them living within 50 miles of the plant) were on the payroll. Employment increased to 550 workers when the plant reached full operation.

These are some of the first results:

Total bank deposits in a major bank in the area increased about \$450,000 between January 2, 1961, and January 2, 1962.

Automobile registrations in Marion and Baxter Counties increased by 420, or nearly 9 percent, as compared with a State increase of about 3 percent.

Preliminary population estimates indicate that the decline in the two counties slowed down after the plant began operation.

Area Redevelopment Program in Rural Areas, National Summary: Since the first loan and grant were made by the Area Redevelopment Administration (Department of Commerce) to Gassville, Ark., in 1961, ARA has made a total of \$37 million in loans and grants in rural areas to start 108 projects: 68 loans to private concerns totaling \$16 million; and 40 loans and grants to finance 40 public facilities, totaling \$21 million (\$14 million in loans and \$7 million in grants). The 108 projects involve 15,000 new jobs. In the 858 rural counties designated as eligible for ARA aid, 4,678 development projects have been proposed by local people. The Department of Agriculture aids rural people to prepare their overall economic development plans, reviews project proposals, makes recommendations to the Department of Commerce, and aids the ARA program in other ways in rural sections.

Pennsylvania

Retail food sales in rural Fayette County rose nearly 8 percent after the Department and local authorities started a Pilot Food Stamp Program there in the spring of 1961. Meat sales went up 6.4 percent.

Fayette County is one of eight test areas where the Food Stamp Plan replaced a program of direct distribution of food to needy families. Under direct distribution programs, food acquired by USDA is donated to States for distribution to eligible families.

Under the Food Stamp Program, needy families certified by local authorities can get food coupons. If they have an income, these families buy some of the coupons and get additional ones free. Families without incomes receive coupons without cost. Grocers participating in the program accept the coupons in payment for foods grown in the United States. Grocers redeem the coupons in cash through commercial banks.

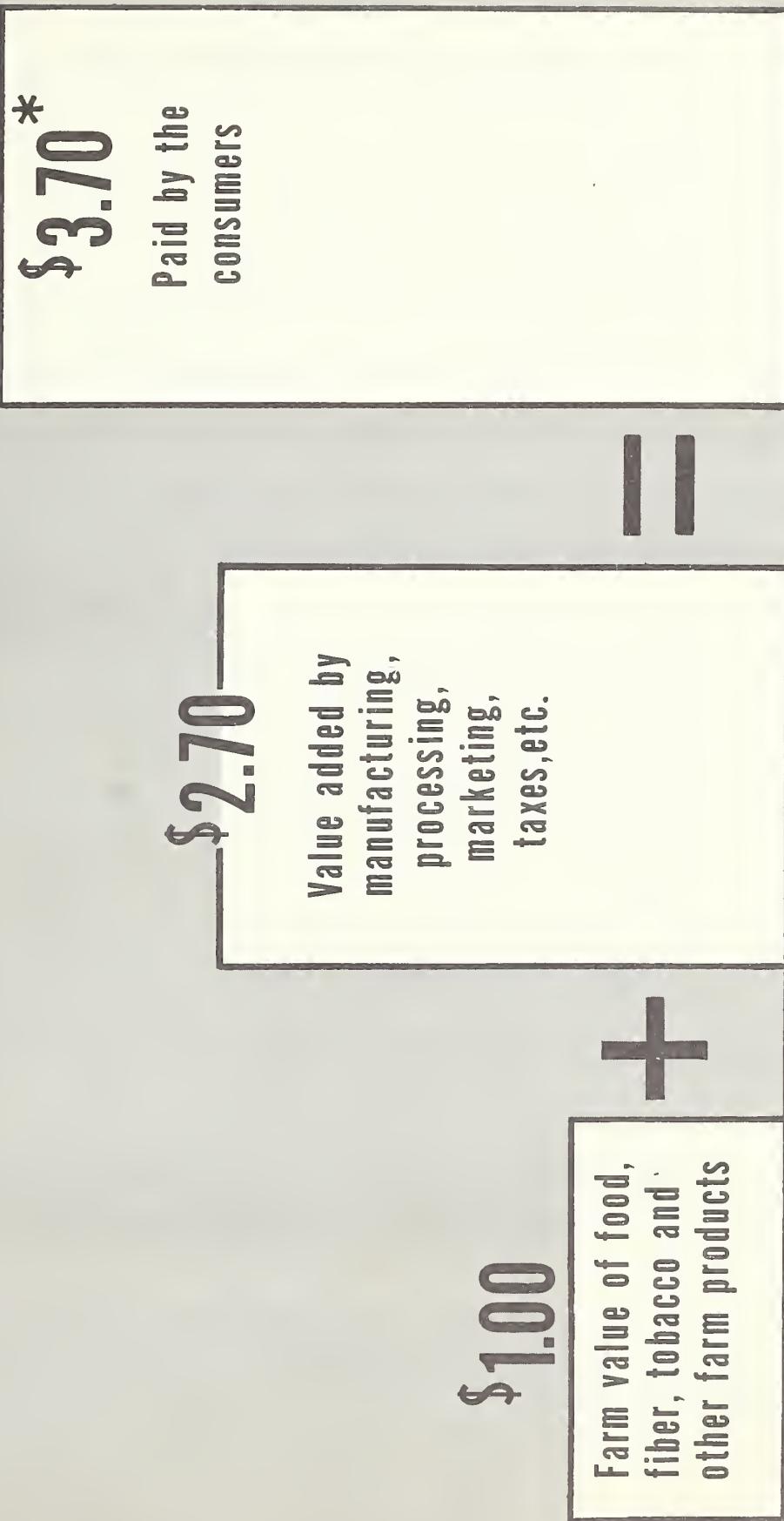
Pilot Food Stamp Program Summary: In the eight pilot areas, the increase in total retail food sales after the program went into effect was 8.4 percent. For meat, the increase was 7.2 percent; for fruits and vegetables, 7.9 percent; for other groceries, 9 percent. The program is now being moderately expanded, still on an experimental basis. USDA has offered Food Stamp Programs to 44 counties and three cities. It is expected to be in operation in most or all of these areas by June 30.

North Dakota and Minnesota

As a result of USDA research on new uses for potatoes, 20 plants for dehydrating potatoes are now operating in potato-growing areas of the country. These plants use 18 to 20 million bushels of raw potatoes each year, and employ several hundred people. Examples of plants:

Borden & Company plant at Grafton, N.D., with 100 employees.

AGRICULTURAL PRODUCTS CREATE JOBS AND WEALTH FROM FARM TO MAIN STREET



* Farmer's share--27 percent Nonfarm share, including taxes--73 percent

Red River Valley Potato Flakes Company, Grand Forks,
N.D., 120 employees.

Fosston Potato Products, Inc., Fosston, Minn., 160
employees.

Gateway Flakes, Inc., Barnesville, Minn., operating
with 60 employees a part of each year.

Since USDA developed dehydrated mashed potatoes and tested consumer acceptance of the new product, the decline in per capita potato consumption appears to have been stopped. Per capita consumption of potatoes averaged 114 pounds in 1947-49; dropped to 103 pounds in 1957-59; declined to 102 pounds in 1960; but averaged 103 pounds in 1961 and again in 1962.

Utilization research nationally -- some highlights: At least 6,000 people are employed in 400 frozen poultry processing plants in rural areas. USDA research developed chilling and packaging methods which resulted in better quality frozen poultry with little flavor change during processing and storage.

Until USDA developed a simple, inexpensive process for converting waste poultry feathers into feather meal, poultry processors paid up to \$20 a ton for disposal. Feather meal, used first as a fertilizer, then as an ingredient in plastics and fire extinguishing agents, and more recently as a nutrient in mixed feeds, provides \$12 million of gross income to poultry processors. Feather meal sells for about \$100 a ton. At least 250 jobs have been created in rural areas.

Nearly 130 textile finishing plants, in 23 States, employ more than 25,000 people to produce 45 million yards of wash-and-wear cotton fabrics a week. Because of the USDA-developed process, a million bales of cotton go into wash-and-wear fabrics each year, helping farmers by expanding and holding cotton markets as well as providing employment for rural people.

About 170 alfalfa dehydrating companies are using a method developed by utilization research to stabilize valuable nutrients of alfalfa and other forages. Use of processed alfalfa products is increasing at a rate of about 40,000 tons a year, creating about a hundred new jobs annually in rural processing plants and increasing farm income.

New York and Texas

A near-bankrupt company in a small town in upstate New York gained a new lease on life when it began manufacturing apple-bagging devices (developed by USDA marketing research) to get apples to consumers in better condition. The company manufactured the first devices for hand operation, later added a power attachment and a number of refinements. More than 4,000 of these

apple-bagging machines have now been sold, and the firm has grown strong in close association with the growing packaging industry.

Scores of firms are now thriving in specialized farm crop areas to support the expanded packaging of fruits and vegetables at the shipping point -- a fairly new trend stimulated by USDA marketing research. For example, a company in a Texas town of less than 4,000 people now makes printed film bags for carrot packers and shippers in the Rio Grande Valley.

Marketing research nationally: USDA's marketing research covers the entire range of agricultural products, with the goals to increase farm income, to reduce marketing costs eventually paid by consumers, and to provide consumers a better product.

California and Ohio

USDA aids farmers through research and other services to operate their cooperatives efficiently. Banks for Cooperatives, a part of the Federal Farm Credit System, help farmers to finance cooperative enterprises.

USDA helped the Hayward, California, Poultry Producers Association to adjust to changes that came when suburban developments caused most farmers to move away from the cooperative's headquarters. As a result of a USDA study made at the cooperative's request, the cooperative moved its milling facilities and merged with two smaller cooperatives. In four years after the move was made -- from 1959 to 1962 -- the volume of business rose from \$3.4 million to \$9 million. The farmers' investments went up from \$840,000 to \$3.4 million; annual returns to members increased from \$300,000 to \$1 million. The cooperative now employs 83 local people.

Poultry Producers Association, Versailles, Ohio, is an example of the pay-roll-creating value of a cooperative. In this town of 2,200 people, the cooperative did a business of nearly \$9 million in 1961-62, had an annual payroll of \$571,000, spent \$35,000 for electricity, interest, fuel, water, and sewage, and paid \$34,400 in taxes.

Cooperatives, a National Summary: Farmers did a net volume business of \$12.4 billion through their marketing, farm supply, and related service cooperatives in 1960-61. About four of every five farmers used cooperatives to strengthen their family farming enterprises. Farmers now have \$2.3 billion invested in these cooperatives. Their net income is at least half a billion dollars higher than if they did not use the cooperatives. They also receive patronage refunds that amount to over \$250 million annually.

Tennessee

When a rural county develops new industry, housing needs can exceed the supply of private local credit. This happened in Lawrence County, where about 3,000 people -- almost all of them living on small farms and doing part-time farming -- are employed in the area's plants.

USDA's rural housing program, authorized in 1961, helped 52 families through loans totaling \$438,000 to build new homes during the year ending June 30, 1962. Construction work was provided for other local people, and a new market was created for building materials and household equipment.

Alabama

In 1961, construction of 28 homes financed by USDA loans resulted in \$281,900 of increased buying in Marshall County. A total of 37,324 man-hours of employment resulted. Nearly \$200,000 was spent for building materials and equipment. About half of this amount bought materials produced in the county.

Idaho

A Department-insured farm labor housing loan of \$50,000 to the 75-member Gem County Cooperative Labor Council in 1962 financed 48 new dwelling units for migratory workers who harvest fruits and vegetables grown in the area. The 12 concrete block buildings each provides separate shelter for four families, and include bathing and toilet facilities.

The housing project will enable growers to double fruit orchard acreage by 1965; orchard expansion had depended on more seasonal labor. Vegetable production also will be expanded.

Oklahoma

Farmers and ranchers around Cheyenne gave irrigation little thought when they were fighting flood waters that annually spilled across their land from Sandstone Creek. Now that the small watershed project has curbed floods, farmers have been using some of the stored water for irrigation. For example, on a six-mile stretch of road outside Cheyenne there were seven farm units supporting six families before the watershed project began. The six families had a total annual gross income of about \$40,000. Today 14 families are living there and their gross income from the land is around \$200,000. Five of the farmers irrigate some land from the storage pool of one of the watershed reservoirs.

Water-based recreation also is bringing new income to the county. During the first five months of 1962, two rural stores near another watershed reservoir sold 516 fishing licenses -- 359 of them to out-of-state fishermen. Cheyenne's first motel was built during construction work in the watershed; last year, a second and larger motel was built.

"We don't have any new industries to point to and we haven't had a population increase," Cheyenne banker L. L. Males said in February. "But we have kept the population from declining and the watershed project has greatly increased the incomes of those still here. Our bank resources have gone from \$100,000 to \$4 million."

Florida

Federal Crop Insurance payments totaling around \$5 million will be made to Florida citrus growers whose groves were hit by the disastrous freeze of last December.

Federal Crop Insurance. National Summary: Since 1961, this USDA program has been expanded by 200 counties to bring to 1,095 the number of counties in which Crop Insurance is available on at least one major crop. Six additional crops -- peanuts, potatoes, peas, apples, canning cherries, and canning tomatoes -- have been made eligible since 1961 for insurance to increase to 20 the number of crops insured. During 1962, improvements in the amount of coverage and reductions in premium rates were put into effect to reflect improved farming methods and practices. Further improvements are planned for the 1963 crop year. Premiums collected from farmers in good years are repaid as Crop Insurance indemnities when crops are damaged by weather, disease, or insects. More than 40,000 insured farmers suffered major damage or destruction of crops last year. Crop Insurance payments to these farmers will total at least \$23 million.

NEW PROGRAMS MOVING AHEAD

New programs, authorized in the Food and Agriculture Act of 1962, to help farmers to convert cropland to grass, trees, fish and wildlife habitat, and to approved types of income-producing outdoor recreational use are underway on a pilot basis.

Cropland Conversion Program

Sixty-eight counties in 23 States have been listed as test areas under this program.

In 41 counties, primary emphasis is being given to the conversion of cropland to grass and trees. These counties are in 13 States:

Georgia -- Oconee, Walton, Treutlen, and Emanuel Counties.
Idaho -- Bingham, Bonneville, Caribou, and Power Counties.
Iowa -- parts of Dallas and Polk Counties.
Kansas -- Crawford, Jackson, and Jefferson Counties.
Maine -- Aroostook County.
Minnesota -- Clearwater, Mahnomen, and east Polk Counties.
Missouri -- Pike and Lincoln Counties.
Mississippi -- Itawamba, Lee, Tippah, and Union Counties.
North Carolina -- Cumberland, Sampson, Cleveland, and Rutherford Counties.
North Dakota -- Benson and McHenry Counties.
Pennsylvania -- Bedford, Fayette, Fulton, Somerset, and Westmoreland Counties.
Utah -- Juab, Millard, and Sanpete Counties.
Wisconsin -- Jackson, Trempealeau, Pepin, and Buffalo Counties.

In 27 counties, test projects will be aimed at the conversion of cropland to an outdoor income-producing recreational use. Additional counties in other States are also being considered for similar projects. Those so far selected are in these States:

Connecticut -- Litchfield County.
Delaware -- Kent County.
Indiana -- Harrison County.
Maine -- Sagadahoc, Knox, and Waldo Counties.
Massachusetts -- Essex, Hampshire, and Norfolk Counties.
Michigan -- Calhoun County.
New Hampshire -- Rockingham County.
New Jersey -- Mercer and Sussex Counties.
Ohio -- Jackson County.
Pennsylvania -- Butler, Chester, Lycoming, Mercer, Wyoming, York and Warren Counties.

Texas -- Wharton County.

Virginia -- Albemarle, Brunswick, Goochland, and Rockbridge Counties.

Wisconsin -- Dodge County.

Farmers who participate in either phase of the program may receive adjustment payments, cost-sharing payments, technical assistance, and in some States forestry incentive payments.

The following are types of practices most commonly approved for cost-share payment: Tree planting; establishing and improving cover crops; contour strip cropping; replacing minerals; constructing dams; developing sod waterways; farm ponds; water management; stream bank protection; and wildlife conservation practices.

These special practices may be approved under the recreation phase of the program: Establishment of picnic and sport areas, camping and nature recreation areas, hunting and shooting areas, fishing areas, summer water sports areas, and winter sports areas.

Loans to Rural Groups for Changes in Land Use

The Department has received more than 60 applications from local associations to change land use under the new program authorized by the Food and Agriculture Act of 1962. Typical examples are:

South Dakota: Four small towns have applied for association loans to establish or enlarge parks and develop recreational facilities including picnic areas, parking facilities, and swimming pools and some small lakes for fishing and boating. Loan applications average about \$60,000.

New Mexico: Chaves County -- A small group of farmers and residents of Dexter have applied for a recreation loan to rehabilitate a lake and establish fishing, swimming, boating and picnic facilities. The new features are expected to attract people from two nearby urban areas and two air force bases -- bringing new money into the community.

Washington State: A group of farmers and residents of Harrington have applied for a loan to convert 64 acres of land now in wheat to a 9-hole golf course and to construct a modest club house. Total loan application is about \$45,000.

Senior Citizens Housing

Since this Act was signed into law on September 28, 1962, the Department has made (as of February 28, 1963) 179 loans totalling \$1,069,590 to individuals 62 years of age and over.

The first loan was made on October 30, 1962, to Mr. and Mrs. C. M. Montgomery, both 64, of Attalla, Alabama.

Six leading States or territories and amount of loans are: Arkansas, 27 loans for \$120,600; Mississippi, 23 loans for \$112,910; Puerto Rico, 17 loans for \$82,600; Texas, 14 loans for \$97,260; Alabama, 12 loans for \$80,440; and Georgia, 10 loans for \$82,260.

Accelerated Public Works

This program, signed into law late in 1962, is providing useful work in rural labor surplus areas.

Of the \$34.8 million allocated to USDA agencies, \$30.7 million is providing jobs on National Forests in Puerto Rico and these States:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming. This National Forest work includes road and trail construction and recreation, water, wildlife and timber development.

Of \$1.8 million received for Cooperative State Forestry Projects, nearly \$800,000 has been granted on a matching basis to these States:

Alaska, Florida, Georgia, Idaho, Indiana, Minnesota, Missouri, Pennsylvania, Utah, Washington, Wisconsin. Applications for cooperative forestry projects are pending from a few other states. Work underway includes projects concerning fire control, tree nurseries, pest control, and tree planting.

Small Watershed Project work is being speeded by allocation of a total of \$2 million to 13 of those locally-sponsored projects in: Alabama, Arkansas, Kentucky, Louisiana, Oklahoma, Tennessee.

A total of \$300,000 has been allocated for repair and construction of small research facilities in the Virgin Islands and in: Alabama, Alaska, Arkansas, Georgia, Mississippi, New Mexico, Oklahoma.

The Accelerated Public Works program is coordinated by the Area Redevelopment Administration, Department of Commerce.

THE SIZE AND SHAPE
OF RURAL AMERICA

The People

Rural population of the United States changed little between 1930 (53.8 million) and 1960 (54.0 million).

But a dramatic change occurred in the composition of the rural population. In 1930, farm people accounted for 57 percent of rural population; by 1960, farm people represented only 29 percent.

Census reports show this changing composition of rural population:

<u>Year</u>	<u>Farm</u> (millions)	<u>Nonfarm</u> (millions)	<u>Total</u> (millions)	<u>Percentage farm</u>
1930	30.5	23.3	53.8	57
1940	30.5	26.7	57.2	53
1950	23.0	31.2	54.2	42
1960	15.6	38.4	54.0	29

Allowing for natural increase in the farm population, it has been estimated that a million persons left the farm every year during the 1950's -- an average of nearly 2 persons per minute.

Of the 38.4 million rural nonfarm people counted in 1960, about 10.4 million lived in villages (places with less than 2,500 population) and the remaining 28 million resided in the open country.

Migration from the farm has continued in the 1960's. Today it is estimated that farm population has dropped to around 14.3 million persons and that the rural nonfarm population may have risen to about 40 million.

In 1950, about 2,400 counties were entirely or primarily rural in their population. The 1960 census showed that three-fifths of these counties had declined in population, because of migration to other areas. In 1960, only 353 rural counties, or 15 percent of the total, had enough economic development to absorb all of their natural population increase and possibly to attract migrants from other areas.

Between 1950 and 1960, most towns under 2,500 lost population, and most towns from 2,500 to 10,000 people increased only slightly.

By contrast larger urban centers grew rapidly. From 1950 to 1960, some 300 metropolitan counties accounted for 85 percent of the population increase. Fifty of these metropolitan counties had half of the nation's total population growth.

Seventy percent of the nation's people were urban in 1960, compared with 64 percent in 1950; 57 percent in 1940; and 56 percent in 1930.

Between 1930 and 1960, total rural population dropped from 44 percent of U.S. population to 30 percent; and in 1960 farm people numbered only 8 percent of the U.S. total.

Agriculture

With the application of science and technology and the ingenuity and hard work of farm people, American agriculture has become amazingly productive.

Today, one farm worker grows 124 percent more food, fiber, and other products per man hour than he did in 1947-49. He produces enough food and fiber for 27 people, compared with 14 in 1947-49.

Other major changes came with science and technology. One was the already mentioned sharp drop in farm population. The family farm became larger, more highly capitalized, and more specialized. Farming also became, in many instances, a part-time business in which the farmer or members of his family depended on off-farm work for a large share of cash income.

Farms have grown in size (from 177 acres in 1942 to 232 acres in 1952, and to 316 acres in 1962), but farming remains mainly a family business.

In 1959, there were 3.7 million farms in the United States. Of these 95.7 percent were family farms. The most rapidly expanding segment of American agriculture is the family farm with \$10,000 or more worth of annual sales.

Family farms are prominent even among the very large farms. They made up 47 percent of the 80,000 farms that had \$40,000 to \$99,999 worth of marketings; and more than 11 percent of the 20,000 farms with more than \$100,000 worth of annual marketings.

Agriculture has become one of the higher-capital-using industries. For example, average investment in production assets per farm worker in 1962 was \$23,259; the average investment per farm was \$47,632.

The production investment per farm in 1962 was nearly 8 times that of 1940, and double that of 1952. Some other years for comparison:

<u>Year</u>	<u>Per farm</u>	<u>Per farm worker</u>
1940	\$ 6,119	\$ 3,327
1950	17,193	9,430
1955	25,523	13,713
1960	42,291	20,942
1961	44,128	21,872
1962	47,632	23,259

Agriculture's total assets on January 1, 1963, were \$214 billion -- up \$14 billion since January 1, 1961. The biggest part of the \$214 billion in assets was real estate -- \$144.5 billion. Non-real estate physical assets were valued at \$51.8 billion; financial assets at \$17.8 billion.

As farming became a higher capital-using industry, farmers became bigger customers for credit. They obtain most of it from private local sources.

Farm debt totaled \$29.3 billion January 1, 1963, up 15 percent from the \$25.5 billion total a year earlier. In 1953, farm debt was \$16.1 billion.

The farmer was squeezed between declining prices for most of the products he sold and rising prices for most of the things he bought.

Since 1947, farm output has increased 33 percent, farm production costs have climbed 63 percent, gross farm income has increased 18 percent, but realized net farm income dropped 25 percent.

Average national farm price of a bushel of corn was \$1.64 in 1947-49; in 1961 it was \$1.08. During the same period wheat dropped from \$2.14 a bushel to \$1.83; milk from 9.5 cents a quart to 9.1 cents; eggs from 46.6 cents a dozen to 35.4 cents; hogs from 21.9 cents a pound to 16.6 cents; potatoes from 2.5 cents a pound to 1.4 cents; broilers from 32.1 cents a pound to 13.9 cents.

During this same period the cost of a 35-horsepower tractor rose from \$2,100 to \$3,080; a 14-inch, two-bottom plow from \$196 to \$306; a 12-foot self-propelled combine from \$4,310 to \$6,700; common 8 penny nails from 11 cents a pound to 17.5 cents; portland cement from \$1.03 a bag to \$1.51.

With increased efficiency, American agriculture oversatisfied the wants of domestic consumers and the export market for some commodities, and surpluses built up.

At the same time, many needs for land and water resources went undersatisfied. More land is needed -- and is available -- for outdoor recreation, for timber, for grazing, for industry, and for other non-crop uses.

By 1980, it is estimated that all food and fiber needs of a greatly increased number of Americans and for a high level of export trade can be met from 407 million cropland acres -- 51 million acres fewer than were available for cropping in 1959.

But there will be a need for 23 million more acres in recreational use, for 18 million more acres in grassland, and a net of about 2 million more acres in forest.

These are some of the adjustments in land use which the newer Department of Agriculture programs are helping rural people, individually and as groups, to make.

Economic Opportunities

The rural economy has suffered because the rapid changes brought on by science and technology were not directed to produce more of the commodities and services most wanted by Americans.

Many small rural communities had virtually dried up before a concerted, nationwide effort was made to provide new economic opportunities. There was also a noticeable decline in rural educational, religious and community services that families have come to expect as a part of modern living.

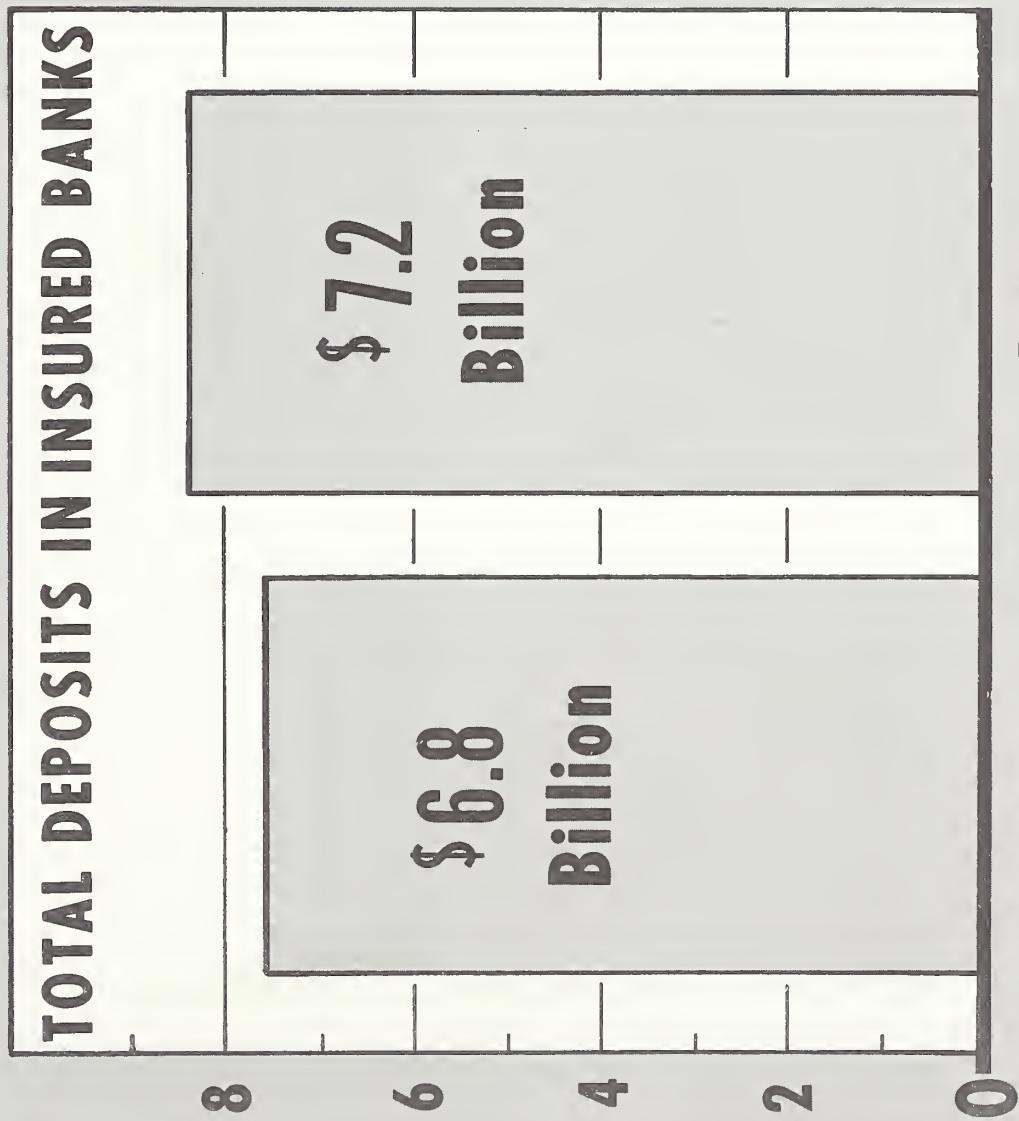
At least 8 million new jobs will be needed in the rural economy if rural America is to have full employment during the next decade.

At present, unemployment and underemployment in rural areas is the equivalent of 4 million unemployed annually -- 1.4 million on farms and between 2 and 3 million among rural non-farm people. In addition, 4 million new jobs will be needed in the next 10 years for rural youth.

Hence, today's people-oriented programs are aimed at economic development -- to create new industries in rural areas, to develop more of the outdoor recreation which Americans want and are willing to pay for, and to grow more of the agricultural products that Americans want and less of those they don't want or need.

The continued growth of the national economy is essential to these efforts for economic growth in rural areas. Rural America is as dependent on Main Street as Main Street is dependent on a prosperous farm and nonfarm rural population.

FARM INCOME REFLECTED IN BANK DEPOSITS OF 618 SELECTED AGRICULTURAL COUNTIES



More than
\$ 400 Million
between
Dec. 31, 1960
and Dec. 31, 1961

1961
1960

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